(b) if so, what are the names of these banks; -

(c) since when these vacancies have not been filled up; and

(d) by when Government propose to fill these vacancies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI) . (a) and (b) Vacancies of part-time non-official directors on the Boards of Directors exist in respect of all the 20 nationalised banks.

(c) Most of these vacancies have arisen since January, 1985.

(d) Action to identify suitable persons for nomination as part-time non-official directors on the Boards of nationalised banks is in hand and the endeavour is to complete the process soon.

Sino-Pak Agreement on Nuclear Cooperation

13. DR. BAPU KALDATE : Will the Minister of EXTERNAL AFFAIRS be pleased *to* state:

(a) whether it is a fact that a Govern ment spokesman made a remark on the recent agreement between Pakistan and China on Nuclear Cooperation as a frivo lous agreement; and

(b) if so, whether Government consi der that the remark of the spokesman of the Ministry accurately reflects the seri ousness of Government over the agree ment?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : (a) No spokesman of the Government of India made such a remark.

(b) Question does not arise.

Seizure of gold bars at Sahar International Airport

14. SHRI KAILASH PATI MISHRA:
SHRI ASHWANI KUMAR:
SHRI ATAL BIHARI VAJPAYEE:
SHRI SHANKER SINH VAGHELA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that on August 8, 1986 Custom officials seized about 140 gold bars at Bombay's Sahar \'International Airport and apprehended three employees of the Soviet Airlines, Aeroflot;

(b) if so, what are the detail's in this regard; and

(c) what is the estimated value of gold smuggled into the country during each of the last three years and so far during the current year and through what channels?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) On 8th August, 1986, the officers of Customs Collectorate, Sahar Airport, Bombay, keeping a discreet watch over Aeroflot Flight No. SU-560 noticed two traffic agent$_s$ of Aeroflot moving in a suspicious circumstances. On noticing the Customs Officers, one of the agents ram away leaving behind a folder in the passage of aero bridge. He was apprehended along with three other traffic agents. Examination of the abandoned folder resulted in the recovery and seizure of 140 gold bars of 10 tolas each of foreign origin collectively valued at Rs. 34.85 lakhs. Assorted foreign currencies equivalent to Rs. 7404 were also seized. In this connection, all the four persons were arrested.

(c) Report received by the Government and seizures made indicate that gold continues to be sensitive to smuggling into the country. Gold is smuggled by air, i sea, land routes and through passengers' in their baggage and on their person. Smuggling being a clandestine activity does not, by its very nature, lend itself

to any estimate. However, the value of old seized by the Custims authorities during the years 1983 to 198 (upto September) is given below:—

Year	Value (Rs. in crores)
1983 . . .	4·18
1984 . . .	10·24
1985 . . .	51·89
1986 . . . (upto September)	38·95 (provisional)

Bad debts of **banks** 15. SHRI KAILASH PATI MISHRA : SHRI ASHWANI KUMAR : SHRI ATAL BIHARI VAJPAYEE : Will the Minister of FINANCE be pleased to state:

(a) what is the annual amount of bad debts of banks at the beginning and at the end of the Sixth Plan period;

(b) whether arrangements exist for pro per auditing of accounts of all the bran ches of banks by statutory auditors ap pointed by **KBI;**

(c) whether it is a fact that in many bank branches the same authority who had sanctioned the loans decides the writing-off bad debts; and

(d) if so, what steps are being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI) : (a) According to the forms of Balance Sheet and Profit and Loss Account presdribed in the Third Schedule of the Banking Regulation Act, 1949 which all the banks are required to follow strictly, the banks are given statutory protection from disclosing the quantum of bad and doubfful debts for which provisio his made to the satisfaction of their statutory auditors. Hence the quantum of bad debts cannot be disclosed.

(b) In so far as audit of the branches of commercial banks are concerned, these

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are done in accordance with the various statutes governing the particular bank. In so far as 20 nationalised banks are con cerned the existing practice is that all branches having a$_n$ outstanding advance of Rs. 50 lakhs and above are cornpulsoriiy audited by external statutory auditors every year. In addition l|3rd of the remaining branches are also taken up for statutory audit by externa! statutory auditors by rotation. The State Bank and the seven associate banks have also been requested to introduce the same system in a phased manner. In addition, banks have the discretion to get any of the branches audited by the external statutory auditors wherever a need is felt.

In so far as the private sector banks are concerned, auditing of branches by external statutory auditors is done in accordance with the provisions of the Banking Regulation Act, 1949 read with Companies Act, 1956 and relevant rules. framed thereunder.

(c) and (d) AH banks have their own well laid dow$_n$ procedures for writing off advances which are considered bad. Banks write off advances normally after exhausting all avenues of recovery and generally after obtaining the approval of Board of Directors except in cases where the powers have been delegated to lower functionaries. Banks hav$_e$ been advised by Reserve Bank of India that wherever the power to write off has been delegated, it should be ensured that authority whe sanction the adance in question does not write off the same in his individual capacity.

Claims pending with LIC and GIC

16. SHRI KAILASHPATI MISHRA-
SHRI ASHWANI KUMAR;
SHRI ATAL BIHARI
VAJPAYEE:

Will the Minister of FINANCE be-pleased to state;

(a) what is the total number of claims pending with LIC and General Insurance